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SUPPLEMENT TO
REPORT NO.

COUNTRY Germany (Russian Zone)

SUBJECT VEB Hennigsdorf Steel Works and
Rolling Mill 25X1

PLACE
ACQUIRED

DATE OF INFO.

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THIS IS UNEVALUATED INFORMATION

1. In 1947 the SMA ordered the rebuilding and re-equippping of the steel works and rolling mill in Hennigsdorf after it had earlier been dismantled on Soviet orders. [redacted] total cost of plant's reconstruction to be 25 to 30 million DM (Ost). The plant's raw material is scrap metal, available in large quantity as a by-product of manufacture in East Berlin and Land Brandenburg. For steel production 15-20% raw iron, delivered from Max-Hütte (Unterwellenborn), is added. The plant consists of three main divisions: 1) SM Steel Works; 2) Rolling Mill, divided into a) Rough Iron Rolling unit, and b) Fine Iron Rolling unit; and 3) Casting Section.
2. The plant is strongly guarded. Four guards stand constant watch at the gate, and there are guards at all junction points in the plant. Outside visitors, accompanied always by a guard, are allowed to enter only certain offices and are then returned to the gate by the shortest route. Visitors are generally forbidden, excepting special tours for carefully screened applicants. School classes are occasionally allowed to inspect single sections of the plant.
3. The plant employs about 3,000 persons, and in addition about 1,200 to 1,500 employees from other firms are permanently engaged in general construction and installation work on the plant grounds. Plant employees are divided into eight categories, according to the physical difficulty of the work and its degree of responsibility. In Group 7, for instance, are the first rollers and crane drivers. Wages are calculated according to the overall output of a particular category. The level of "normal" output for each category is estimated, and an extra-wage is added to the base salary when this level is met. An example of the basis of payment is as follows:
- Group 3: 0.95 DM/hr. plus 15% extra-wage for achieving "normal" output.

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Group 7: 1.30 DM/hr. plus 15% extra-wage for "normal" output. When "normal" output is met, the total wages for Group 3 would be about 1.10 DM, and for Group 7, about 1.50 DM. When "normal" output is exceeded, a progressive bonus is offered, above the usual extra-wage for "normal" output, the so-called progressive wage scale. The progressive factor is calculated according to the increase in profits accruing to the plant as a result of increased output. At present, however, since the plant equipment is primitive, only a very limited increase in production can be realized. At present the progressive factor for 10% above "normal" output is 6%, and for a 25% increase over "normal" output, 12%. A worker in Group 7 would, therefore, be paid according to the following scale:

100%	"Normal" Output	1.50 DM/hour
110%	" "	1.71 DM/hour
115%	" "	1.80 DM/hour
120%	" "	1.89 DM/hour
125%	" "	2.00 DM/hour

Since the plant equipment is as yet provisional, this factor has been taken into account in arriving at the 100% output norm. Accordingly, above-normal output is often achieved, and hourly wages up to 2.25 DM have been paid. Since all output levels are figured according to the average production of a group, no group in the long run is able to maintain a systematic output so high as 120%.

4. SM Steel Works. Four Siemens-Martin furnaces, supplied by the Soviets from a dismantled factory, are in use. Usually only three furnaces are used, while the fourth is in repair. The average daily output in August and at the beginning of September was around 450 tons a day. The blocks of raw steel weigh from 1.2 to 1.8 tons. At this time the following eleven qualities are being produced:

St 34.12	St 50.11	St C 10.61
St 37.12	St 60.11	St C 16.61
St 42.12	St 70.11	St C 25.61
St 45.12		St C 35.61

5. Rolling Mill. Rough Iron Rolling Mill. Two cranes, two shaping furnaces, and one hot-shears roll a quadratic cross section of 170" or eleven operations, 130" in 15 operations, 110" in 17, and 90" in 19. The steel is then cut into blocks about 3 meters long. Three shifts, of 50 men each, effect a daily average output of 300-350 blocks.
6. Fine Iron Rolling Mill. There are 3 rolling sets in use: a 350 meter line, staffed by a 29 man shift; a 450 meter line, with a 68 man shift; and a double-duo line, staffed by a 17 man shift. For the most part cross sections from 65" to 90" and 55" to 90" are rolled; and on the double-duo line, flat iron up to 10 mm. In the rolling process a 4% loss in slag and iron oxide is calculated. The fine iron rolling mill is still entirely provisional. The proper transportation and cutting devices are completely lacking, and the movement of materials along the line, as well as the cutting process itself, is carried out by hand labor, a relatively expensive process. The rolling mill has only one modern Niles lathe; all other machinery is over thirty years old. Therefore

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only 75% of the mill's planned capacity is at present realized. In order to increase output, the workers often run a profile through the mill one or two less times than normally, thereby often causing damage to the equipment. Rolling capacity is nevertheless greater than that of the steel work, and raw steel from Max-Hütte in Unterwellenborn is regularly delivered for rolling in the mill. A wire rolling unit (Drahtwalzstrasse) for measurements as fine as 5 mm (for construction iron) is now under construction and is expected to go into operation sometime in October.

7. Casting Section. Both iron and steel are cast in this section. Aside from two casting pans with a capacity of about 40 tons, there is very little modern equipment. Final forming is done by hand, and labor is a disproportionately great part of the production cost. The output of the casting section is used in part for construction within the plant, to fulfill purchasing contracts, and also for shipment to Russia as reparations. The latter includes ships' propellers, weighing as much as 65 tons, and other parts whose possible use is unknown. No kind of typical armaments material is being produced.

25X1 Comment: It is assumed that the symbol \square refers to sq. cm.

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